COUNCIL COMING ATTRACTIONS



Week of May 15, 2017

Maryland-National Capital Park and Planning Commission, Park and Planning, Montgomery County Public Schools, Bus Rapid Transit, Fuel-Energy Tax Exemption, Resolution on Environmental, Social and Governance Investment Policy Guidelines and Fossil Fuel Company Investments, and More



Council Coming Attractions is a summary of some of the issues before the Council. All Council staff reports and additional information on each item scheduled for Council or Committee review can be viewed at: http://www.montgomerycountymd.gov/COUNCIL/ondemand/index.html.

Also the Council meeting schedule may change from time to time. The current Council and Committee agendas can also be viewed at:

http://www.montgomerycountymd.gov/COUNCIL/ondemand/index.html.

- On May 15 the Council session will begin at 9:30 a.m. One proclamation presentation is scheduled:
 - > Councilmember Leventhal will recognize the work of House with a Heart Senior Pet Sanctuary
- On May 16 the Council session will begin at 9:30 a.m. Two proclamation presentations are scheduled:
 - Councilmember Katz recognizes retired high school football coach Bob Milloy.
 - Councilmember Riemer recognizes Historic Preservation Month.

COUNCIL

The Council is scheduled to review and take preliminary action on numerous budget and legislative items. Below are the items currently scheduled for discussion.

MONDAY, MAY 15

Finance

The Council is scheduled to review the FY18 recommended operating budget for the Department of Finance. The Executive's FY18 recommended operating budget for the Department of Finance is \$81,401,713, an increase of \$3,644,428 from the FY17 approved operating budget. The General Fund portion of the Finance budget is \$14,446,096, an increase of \$380,277 from the FY17 approved operating budget. The Self-Insurance Fund portion of the Finance budget is \$66,955,617, an increase of \$3,264,151 from the FY17 approved operating budget. The NDA - Risk Management (General Fund) budget is \$16,816,427, an increase of \$1,539,484 from the FY17 approved operating budget. The staff report can be viewed at:

http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5903&meta_id=138744.

- The Government Operations and Fiscal Policy (GO) Committee unanimously recommends approval of the FY18 operating budget for the Department of Finance as submitted. One issue that emerged during the Committee worksession was the Department of Finance's proposed increases to municipal property tax billing charges. Gaithersburg Mayor Jud Ashman objected to the timing of the increase, requested additional information about the calculation formula, and asked the Council to consider the City's objection to the proposed increase.
- Maryland-National Capital Park and Planning Commission Parks and Planning Amendments to the FY17-FY22 Capital Improvements Program

The Council is scheduled to review amendments to the FY17-22 CIP for the Maryland-National Capital Park and Planning Commission (M-NCPPC). Last year, the Council approved a CIP for FY17-FY22 of \$184.2 million for M-NCPPC. The staff report can be viewed at:

http://montgomerycountymd.granicus.com/MetaViewer.php?view id=169&event id=5903&meta id=138746.

The Commission requested four amendments to the approved CIP to reflect increased state funding and contributions. None of these amendments involve County funding. The Executive recommended an Affordability Reconciliation Project Description Form (PDF) that reduces current revenue by \$300,000 in FY18, delays \$1 million of General Obligation (GO) Bond expenditures in FY19 and FY20, and shifts the \$2 million to FY22. The PDF does not indicate where reductions should be made. The November 2016 transmittal letter from the Planning Board Chair indicates that the only changes proposed is an increased funding total of approximately \$700,000 due to additional State funding and contributions from private donors.

The PHED Committee recommends the non-tax supported increases proposed by the Commission and the Executive recommendation to reduce Current Revenue by \$300,000 in FY18, but does not support the Executive-recommended delays in GO Bond funding because it would delay projects that are priorities for the Council.

FY18 Operating Budget for M-NCPPC

The Council is scheduled to review the FY18 operating budget for Parks and Planning. The staff report can be viewed at:

http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5903&meta_id=138748.

The operating budget for M-NCPPC includes tax supported funds, self-supporting funds, debt service, and reserves. The tax-supported funds (the Administration Fund and the Parks Fund) represent most of the operating budgets.

- The Commission's FY18 budget request is \$170.1 million, excluding the capital projects fund. The appropriation required to support the operating budget is \$161.4 million. While this number is up sharply from the FY17 adopted budget, the Capital Projects Fund is also down sharply versus FY17, meaning that the overall change in both sources and uses of funds is
- In FY18 total tax-supported operating budget expenditures, including park debt service, is \$134.4 million. This represents an increase of \$8.9 million (7.4%) from the adopted FY17 tax supported budget.

- The Executive recommended a smaller increase in FY18. For the Administration Fund, his recommended budget is \$284,943 below the Commission's request. For the Parks Fund, his recommended budget is \$4,268,798 below the Commission's request. Total non-tax supported operating budgets are \$16.8 million, up \$460,753 (2.8%) versus FY17.
- All Planning, Housing and Economic Development Committee recommendations are approve as submitted by M-NCPPC unless noted below.
 - Cable Funding for Parks Pilot
 - ✓ The PHED Committee recommends concurring with the GO Committee recommendation to fund a WiFi in the Parks pilot, using \$100,000 from the Cable Fund balance. The PHED Committee also recommends that the Department of Parks develop a plan to expand WiFi throughout the Park system.
 - Reductions to meet the Executive-recommended funding level The Department of Parks would need to reduce their proposed budget by \$4.3 million to achieve the Executive-recommended level of funding. This level of reductions would not enable them to maintain the FY17 level of services or fully fund the known operating commitments. Council staff asked the Department to indicate what reductions they would make to reach the Executive-recommended funding level. Tier 1 items are essential needs that are the highest priority for funding. Tier 2 items are lower priorities. Through "belttightening" they believe they can address all Tier 2 items and are only requesting that Tier 1

provided on © 20-22. The PHED Committee recommends:

✓ Adding Tier 1 priorities for restoration to the reconciliation list in three groups, except for items 1-g and 1-h, which will be charged to the CIP, and items 1-j and 1-k, which the Committee recommends be funded by the Water Quality Protection Fund.

items be restored. Additional detail on each of these reductions and their impact are

- CIP Chargebacks
 - The PHED Committee recommends supporting the Department of Parks request to fully charge two positions on the reconciliation list to the Capital Improvements Program.
- Water Quality Protection Fund
 - NPDES costs are usually funded by the Water Quality Protection Fund (WQPF). The Executive's budget only funded \$160,000 of the request. Committee Chair Floreen expressed her support for funding the full increase as requested by M-NCPPC and requested that this issue be discussed further at the T&E Committee meeting on April 21. At the T&E Committee worksession, Montgomery Parks staff requested that the Committee add \$117,628 in WQPF dollars to the Montgomery Parks budget for the weed warrior program and a research analyst to review third-party stormwater management projects.
 - Montgomery Parks' revised request to add \$117,628 to the Montgomery Parks budget from the WQPF. NOTE: The estimated \$0.35 impact on the WQPC can be absorbed by Fund Balance and will not impact the rate.
- Non-recommended Reductions
 - The Planning Department has indicated that one of the reductions that they would make, if necessary, to meet the County Executive's recommended reductions would be to remove the proposed increase to the CAS chargebacks for the Commission-wide CIP and IT initiatives internal service fund (a reduction of \$22,573).
 - √ The PHED Committee recommends that the "Missing Middle" be completed using only in-house resources, but agreed to place \$50,000 associated with the study on the reconciliation list. The savings associated with that proposed study can be applied to reduce the amount of additional resources necessary to fund the Commission's request.

 Planning also requested that additional cuts, if necessary, should come from reducing the contract with the University of Maryland Center for Smart Growth.

Special Revenue Funds

Special revenue funds are used to account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes. M-NCPPC has asked for a \$500,000 transfer from the Administration Fund to support the Development Review Special Revenue Fund. During the review of the budget, staff always asks for an updated assessment of the status of the fund to determine if the transfer is necessary. This assessment appears on ©47.

- The County Executive recommended against the transfer from the Administration Fund to the Development Review Special Revenue Fund.
- √ The PHED Committee recommended putting the transfer on the reconciliation list in 3 tranches: \$150,000; \$150,000; and \$200,000.
- Planning Department Work Program
 - The PHED Committee recommends supporting the work program as recommended by the Planning Board, recognizing that if the master plans scheduled for late 2017 or early 2018 are delayed, they may need to be rescheduled for consideration after the Council elections (due to legal requirements that the Council not take actions on land use issues directly before the election). At this time, do not amend the Master Plan Work Program to add a functional master plan amendment for M-83.

M-83

The PHED Committee (2-0) recommends that the Council support a resolution directing the Planning Board not to assume M-83 when it considers potential increases in density in upcoming master plans that would be impacted by M-83. Committee Chair Floreen abstained.

Master Plan Schedule

The PHED Committee recommends supporting the Work Program submitted by the Planning Board and reevaluate it at the fall Semi-Annual Report meeting.

Office of Consumer Protection

The Council is scheduled to review the FY18 operating budget for the Office of Consumer Protection (OCP). For FY18, the Executive recommends total expenditures of \$2,210,577 for OCP, a 4.81% increase from the FY17 approved budget. The Executive's recommendation is an increase of \$101.507 or 4.81%. The staff report can be viewed:

http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5903&meta_id=138753.

- > The Public Safety Committee unanimously recommends adding the following items to the Reconciliation List: one Manager III (\$104,706); funding to fill the vacant Administrative Specialist I position (\$49,314); and two tenant advocate positions (\$185,850 funded through a \$3 increase in the Landlord-Tenant fee for multi-family units).
 - The FY18 operating budget for OCP includes no new positions. OCP currently has 16 full-time positions and one part-time position, of which, one of each is vacant. Staffing has never returned to pre-recession levels, despite the addition of several mandated functions.
 - Council President Berliner and Councilmembers Elrich and Hucker proposed adding tenant advocate services to the OCP and creating two new positions. They recommend that at least one of these positions be filled by an attorney so that tenants can obtain both general consumer assistance and legal advice regarding tenants' rights. To fund the positions, they are recommending a \$3 increase in the Landlord-Tenant license fee for multi-family units (currently \$41), which will yield about \$210,000 for this initiative.

Arts and Humanities Council NDA: National Philharmonic

The Council is scheduled to review the non-departmental account (NDA) for the Arts and Humanities Council for funding earmarked for the National Philharmonic. For FY18 the Executive recommends a total of \$5,406,943 for the Arts and Humanities Council NDA. The FY18 recommended operating budget for the NDA includes a \$150,000 earmark for the National Philharmonic. The staff report can be viewed at:

http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5903&meta_id=138755.

- ➤ Health and Human Service Committee (HHS) Summary:
 - The HHS Committee met to review this item on May 3. There is no Committee recommendation.
 - Committee Chair Leventhal recommends that National Philharmonic receive \$100,000 in funding, a \$50,000 reduction from the Executive's FY18 recommendation. This would bring the total County contribution to National Philharmonic to \$500,000 between FY16-FY18.
 - Council President Berliner recommends that the Council approve \$150,000 in funding for the National Philharmonic in FY18.
 - Councilmember Rice does not recommend approval of the \$150,000 in funding for the National Philharmonic, due to the Council policy to not provide earmarks.

Montgomery County Public Schools

FY17-22 CIP Amendments and FY18 Capital Budget

The Council is scheduled to review the FY17-22 MCPS CIP Amendments and the FY18 Capital Budget. The Council staff report can be viewed at:

http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5903&meta_id=138757 . The Board's Amended FY17-22 request totals \$1.737 billion. This level of funding is \$900,000 more than the latest approved FY 17-22 CIP of \$1.736 billion. An increase of \$2.5 million is requested in FY18, resulting from the acceleration of expenditures for the Tilden Middle School/Rock Terrace revitalization/expansion project (+\$7.4 million into FY18) and the inclusion of one new project, Outdoor Play Space Maintenance (with \$750,000 requested in FY18). The FY18 increases from those projects are partially offset by a deferral of expenditures in the Blair Ewing Center Improvements project (-\$3.4 million in FY18).

- The Executive, in his January 15 CIP amendment transmittal and then in later transmittals, has expressed his support for all the Board's proposed amendments. However, the Executive does assume funding adjustments and some affordability adjustments in bond spending in the out years.
- The total G.O. Bond six-year impact of the BOE's requested amendments is quite low (+\$900,000), reflecting the fact that the BOE transmitted very few amendments this year. However, there are some large swings from year to year that will need to be accommodated during the Council's CIP reconciliation. Also, this total does not include "solution" projects subsequently introduced by the Council, or Council staff's recommended changes to the BOE's requested solution project amendments for which the Education Committee recommends approval.
- The Executive's Recommended Capital Budget from January assumed the same level of state aid in FY18 through FY22 as was assumed in the Approved FYI 7-22 CIP (\$51.7 million per year). This included approximately \$40 million in the regular annual school construction allocation, plus \$11.7 million in formula-based funding from the "Capital Grant Program for Local School Systems with Significant Enrollment Growth" (or EGRC) fund (established during the 2015 legislative session). During the 2017 legislative session, the Legislature approved \$21.8 million in funding for MCPS out of the EGRC program for FY18 (which includes an additional \$10 million in one-time dollars).
- Counting the EGRC and regular school construction totals, the state approved \$59.2 million for MCPS (see ©18). Given the FY18 award amount is already greater than the \$51.7 million assumed in the FY17-22 Approved CIP, the Council will need to decide through its reconciliation process how to allocate the additional state aid (whether to reduce G.O. bond programming, to increase the CIP set-aside, or some other need).

- **Education Committee Recommendations:**
 - Approve changes to several Cluster Solution Projects and approve New Cluster Solution Projects.
 - Approve the other CIP Amendments as requested by the Board of Education.
 - Correct the appropriation request for S. Christa McAuliffe Elementary School Addition.

Enrollment Information

Enrollment changes are one of the biggest drivers of both the operating budget and CIP for MCPS. From a CIP perspective, enrollment increases drive the need for additional classrooms as well as core space improvements.

- ✓ The Board projects a total enrollment of 161,302 for FY18. This is an increase of 2,292 over the actual FY17 enrollment. Comparing enrollment projections (which affect the budget changes year to year), the FY18 budget projection is an increase of 2,286 over the budgeted FY17 level.
- Enrollment of students with Limited English Proficiency is projected to increase by 500, for a total of 23,150 students for FYI8. The budget request includes an additional 29.9 positions and \$1.9 million to serve these students.
- ✓ Enrollment of students eligible for Free and Reduced Meals (FARMS) continues to rise, with a total of 58,852 students as of April 1 (34.9% in 2015).
- ✓ MCPS staff also provided information regarding ongoing demographic changes in the student population, including racial and ethnic trends.

Proposal by Council President Berliner

On April 3, Council President Berliner sent a memorandum to Councilmembers outlining his proposal to use a portion of recordation tax current revenue presently dedicated to funding the MCPS CIP to fund debt service on bonds, to provide roughly \$150 million more for MCPS capital projects over the next five years. This proposal is currently under review by the County Executive and MCPS. The Council's GO Committee will be taking this issue up after budget. For the current CIP reconciliation process, no changes in funding or expenditures from this proposal are assumed.

• Subdivison Staging Policy Review and Cluster Solution Projects
For several years, the Council has programmed CIP projects that provide sufficient funding
to keep a cluster area from going into a residential development moratorium under the
Subdivision Staging Policy (SSP). A solution project provides sufficient funding for a small
addition, enough to bring the cluster below 120% of capacity. It is considered a "down
payment" on what will be a larger project when it is finally requested by the Board of
Education. Page 6 of the staff report includes a chart of all the recommended PDF changes
for the schools that are forecasted to be over capacity without solution projects.

Project by Project Review
 Staff has provided a chart on page 7 of the packet that details the FY17-22 MCPS CIP amendments requested by the BOE that are approved or pending before the Council, with expenditure changes from the base of the original approved CIP. Details on each project can be found on pages 6-10.

MCPS FY18 Operating Budget

The Council is scheduled to review the FY18 operating budget for Montgomery County Public Schools (MCPS). The Board of Education requested a total of \$2,521,718,745 for the FY18 MCPS operating budget. This amount represents an increase of \$64,244,984 or 2.6% compared to the FY17 approved budget. The FY18 tax supported budget request is \$2,373,742,388, an increase of \$62,164,168 or 2.7% over the FY17 amount. The staff report can be viewed at:

http://montgomerycountymd.granicus.com/MetaViewer.php?view id=169&event id=5903&meta id=138759.

The Committee's initial operating budget recommendations from April 21 included a recommendation to place \$2.1 million on the Reconciliation List. Based on updated fund balance information provided by MCPS since the Committee last met, revised recommendations are

included on the following page for Council consideration that would allow the Council to fully fund the Board of Education's FY18 request and remove the \$2.1 million from the reconciliation list.

At the April 21 worksession, the Committee unanimously made the following recommendations:

- Support the Executive's recommended local contribution to MCPS of \$1.663 billion, which is \$19 million over the required Maintenance of Effort (MOE) funding level.
- Support the Executive's recommendation to use an additional \$6 million in fund balance resources for MCPS' FY18 operating budget \$1 million in general fund balance carryover and \$5 million from MCPS' group insurance fund balance. The additional fund balance resources do not count towards the MOE calculation, but provide MCPS with \$25 million in total resources above MOE.
- Place \$2.1 million on the reconciliation list for MCPS. This amount represents the difference between the Board's request and the Executive's recommendation after accounting for the additional fund balance resources.
- MCPS FY17 Fund Balance Update
 - In FY17, MCPS will be receiving an additional \$4.1 million from the State as a one-time reimbursement for higher than projected normal costs rates related to the County's state pension contribution. As part of the FY17 budget bill, the General Assembly reserved funding for local school systems related to this issue that would have provided MCPS with approximately \$6 million in one-time funding, but the Governor elected not to release these funds. Subsequently the General Assembly passed, and the Governor signed, HB 1109 during the 2017 session that relieved MCPS from \$4.1 million of its FY17 State pension obligation. MCPS plans to use \$2 million of these additional FY17 dollars to fund an initial set of security
 - MCPS plans to use \$2 million of these additional FY17 dollars to fund an initial set of security enhancements at schools. The remaining \$2.1 million will accrue to the year-end fund balance. As a result, the Council can increase MCPS' fund balance carryover for FY18 by \$2.1 million allowing for full funding of the Board's FY18 request without impacting MOE and eliminating the need to have additional funding for MCPS on the reconciliation list.
- > The Education Committee's final Council recommendations include the following:
 - Approve an MCPS general fund balance carryover for FY18 of \$22,783,303, an increase of \$2.1 million from what the Committee recommended on April 21.
 - Remove \$2.1 million for MCPS from the reconciliation list.
 - Support the Executive's recommended local contribution to MCPS of \$1.663 billion, which is \$19 million over the required MOE funding level. (*no change from the Committee's April 21 recommendation*).
 - Support the Executive's recommendation to use \$5 million from MCPS' group insurance fund balance for the FY18 Operating Budget. (no change from the Committee's April 21 recommendation).
 - Support all other tax-supported and non-tax supported elements of the FY18 MCPS
 Operating Budget as requested by the Board of Education and recommended by the
 Executive, including the FY18 appropriation for the Technology Modernization CIP project.
 (no change from the Committee's April 21 and May 3 recommendations).
- CIP: Rapid Transit System Project US 29 BRT

The Council is scheduled to review the CIP for the Rapid Transit Project on US 29. The staff report can be viewed at:

http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5903&meta_id=138761.

The County Executive is proposing an FY18 appropriation of \$9.5 million and an amendment to the FY17-22 CIP to the Rapid Transit System Project for \$31.5 million to fund the first stage of implementation of a 14-mile-long US 29 Bus Rapid Transit (BRT) line between Burtonsville and the Silver Spring Metro Station. The sources of funds are \$14 million from the Mass Transit Fund, \$7.5 million from General Obligation bonds, and \$10 million from a Federal Transportation Investment Generating Economic Recovery (TIGER) grant.

The Transportation, Infrastructure, Energy and Environment (T&E) Committee

recommends:

- Deferring \$2 million of spending from the Federal TIGER grant from FY18 to FY19, reduce the
 FY18 appropriation to \$7.5 million (without \$2 million for right-of-way acquisition), and spell
 out on the project description form the remaining items for which the remaining \$7.5 million
 is being appropriated.
- Concurring with Councilmember Riemer's proposal to have the Department of Transportation (DOT) prepare, after consultation with the State Highway Administration, a scope of work, cost estimate, and duration of a detailed study of the next Bus Rapid Transit (BRT) Project on US 29 that would evaluate, at the very least, creating a dedicated BRT lane from Industrial Parkway to the Silver Spring CBD. The Committee expects to introduce a supplemental appropriation for this study in September 2017.

Project Details

The Executive proposes to run BRT vehicles on the outside shoulders of US 29 between Burtonsville and Industrial Parkway (except through the Briggs Chaney and Randolph Road interchanges, where they would run in mixed traffic), and in mixed traffic between Industrial Parkway and Silver Spring Metro. He proposes to use these funds to buy 14 articulated (60-foot-long) BRT vehicles, acquire land for and construct 18-foot-high level platforms with off-board fare collection at 11 station locations, to implement 10 bikeshare stations and other pedestrian and bike access improvements to stations, to install transit system signal priority along US 29, and to fund associated planning and design expenses.

- ✓ Four Comers resident and CAC member Sean Emerson recommended a way to create a dedicated BRT lane between New Hampshire Avenue and Sligo Creek Parkway. His proposal relies on reducing the width of the existing general-use lanes to 10 feet, leaving 22 feet in the middle for a dedicated 12-foot-wide bus lane (two lanes at Four Comers) as well as an 8-foot-wide median, and a 2-foot-wide painted strip between the BRT lane and the adjacent travel lane. Where there is a station, the 22 feet would be used for the BRT lane and a one-sided platform. South of Sligo Creek Parkway the BRT would appropriate one of the four peak direction lanes. North of New Hampshire Avenue the lanes would either be in the existing median or, like the Executive's proposal, on the outside shoulders, where they exist.
- ✓ Committee members and Council staff believe that Mr. Emerson's general concept shows great promise for creating what the master plan calls for: a dedicated lane along most of US 29. Council staff's understanding is that the State Highway Administration is open to the idea that the US 29 lane widths could be reduced to 10 feet. A design with 10-foot-wide lanes would also result in drivers reducing their speeds in this area where residences, businesses, and pedestrians are close to the roadway. Furthermore, the elements of the Executive's proposed BRT project could be incorporated into Mr. Emerson's concept:
 - The \$14 million for BRT vehicles would be used under both the Executive's project and Mr. Emerson's proposal. If the dedicated lane provides a faster round-trip time, then there may be fewer buses needed for the US 29 route, but the extra buses ultimately could be used either to provide even more frequent service on US 29, or on another BRT route.
 - The \$2 million for bike and pedestrian access improvements, the \$1 million for transit signal priority (TSP), and the \$1.5 million for overhead would be needed under either concept.
 - The \$13 million for stations would also be used under either concept. And not just the off US 29 stations: those on the curb of US 29 would be stations for the BRT buses running in mixed traffic in the off-peak direction.

MetroExtra Service

The Council is scheduled to review the proposed budget for funding MetroExtra Service. The staff report can be viewed at:

http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5903&meta_id=138763.

Many testified at the public hearing on the Executive's US 29 Bus Rapid Transit (BRT) proposal that the County should pay WMATA to initiate limited-stop MetroExtra service on US 29.

- > The T&E Committee (and Council staff-at the time) recommended (2-1): Councilmembers Floreen and Hucker recommended adding to the Reconciliation List funds for MetroExtra service on US 29, in two tranches: a first tranche of \$425,000 for weekday, peak-period service running every 15 minutes between Castle Boulevard/Briggs Chaney P&R and Silver Spring; and second tranche of \$220,000 to have this service run between the Burtonsville P&R and Silver Spring. Council President Berliner did not agree with funding this service because he had concerns about the County taking on the State's obligation to pay for Metrobus service.
 - ✓ Council staff recommended Metro Extra service because it was believed that DOT did not have the buses to operate the new service. However, DOT believes it can add service using buses from other routes that will be cancelled this fall, and by extending the life of some of the buses in the fleet.
 - ✓ DOT has developed three options that would add service to US 29 as soon as early January
 2018.
 - ✓ Council staff revised recommendation: Select one of these three Ride On options for the Reconciliation List (listed on page 2 of the staff report). Each option would maintain the traditional "bright line" between the bus service that is the State's responsibility (Metrobus) and the service that is primarily the County's responsibility (Ride On).

TUESDAY, MAY 16

- Expedited Bill 16-17, Swimming Pools Lifeguards Amendments
 The Council is scheduled to introduce Expedited Bill 16-17. Councilmember Katz is the lead sponsor. Councilmembers Floreen and Elrich and Council President Berliner are cosponsors. A public hearing is scheduled for June 20 at 1:30 p.m. The staff report can be viewed at http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5024&meta_id=138786.

 Expedited Bill 16-17 would exempt certain public pools at certain facilities from the requirement to have a lifeguard on duty when the pool is open for use; require exempted public pools to meet certain criteria, including posting certain warning signs; and require exempted pools to have an emergency alert system.
 - According to Councilmember Katz the County is only one of two jurisdictions in Maryland that require a qualified lifeguard to be on duty to open pools for swimming. This requirement presents a costly burden for the County's hospitality industry that is not faced by neighboring jurisdictions.
- Bill 9-17, Fuel-Energy Tax Exemptions Amendments
 - The Council is scheduled to vote on Bill 9-17. The Government Operations and Fiscal Policy (GO) Committee and the Transportation, Infrastructure, Energy and Environment (T&E) Committee recommends enacting Bill 9-17 as amended to delay the effective date to July 1, 2018. Councilmember Leventhal is the lead sponsor and Council President Berliner and Councilmembers Elrich, Hucker, Katz, Rice, Riemer, and Navarro are cosponsors. The staff report can be viewed:

http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5024&meta_id=138788.

Bill 9-17 would exempt energy generated by a Community Solar Energy Generating System (CSEGS) by exempting energy that is generated from a renewable source located in the same electric service territory as the subscriber using the energy and subject to a virtual net energy metering agreement (as defined in State law) with a public utility. The County fuel-energy tax is imposed on every person transmitting, distributing, manufacturing, producing, or supplying

electricity in the County. For an electric company, the tax is applied to the net consumption used to calculate each consumer bill and is passed through to end users.

- Current law already exempts energy produced from a renewable source in the County and
 either used on the site where it is generated or subject to a net energy metering agreement
 (as defined in State law) with a public utility. However, this exemption only applies to the
 energy produced from a renewable source, such as solar panels, located on the customer's
 property or contiguous to the customer's property due to the definition in State law for "net
 energy metering" generated by an "eligible customer-generator."
- A CSEGS credits its generated electricity, or the value of its generated electricity, to the bills
 of the subscribers to that system through a "virtual net energy metering" agreement, as
 defined in State law. This type of facility can be located anywhere in the same electric service
 area, and therefore, does not meet the eligibility requirements for the current fuel-energy
 tax exemption for renewable energy.
- Bill 9-17 would permit a County resident who is unable to install solar panels on the customer's property, such as a renter or an owner of a cooperative or condominium, to purchase solar energy from a community solar facility without paying the County fuel-energy tax.
- Resolution concerning Environmental, Social, and Governance Investment Policy Guidelines and Fossil Fuel Company Investments of the Employees' Retirement System and the Consolidated Retiree Health Benefits Trust

The Council is scheduled to vote on a resolution concerning environmental, social, and governance investment policy guidelines and fossil fuel company investments in the County's Employees' Retirement System and the Consolidated Retiree Health Benefits Trust. The lead sponsor is Council President Berliner. Council Vice President Riemer and Councilmember Hucker are cosponsors.

The full resolution can be found at:

http://montgomerycountymd.granicus.com/MetaViewer.php?view id=169&event id=5024&meta id=138806.

The Resolution requests the Board of Investment Trustees of the Employees' Retirement System and the Board of Trustees of the Consolidated Retiree Health Benefits Trust to:

- consistent with their fiduciary duties, explore all means possible to:
 - ✓ minimize the Board's investments in companies with the largest fossil fuel reserves as rapidly as possible; and
 - ✓ apply environmentally and economically-sound decision-making, both generally and specific to climate change, using ESG policy guidelines; and
- report biannually to the Council and the Executive on implementation of these actions, detailing the research conducted on top fossil fuel holding companies and detailing the extent of divestment or the rationale for not pursuing divestment from individual holdings.
- NDA: Community Grants County Council and County Executive
 The Council is scheduled to review the FY18 operating budget for grants proposed by the
 County Executive and the Council. The staff report can be viewed at:
 http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5024&meta_id=138792.
 - Council staff recommends approval of the 223 discretionary Executive Community Grants recommended by the County Executive. These 223 grants total \$7,914,464. Approve the 11 Community Service Grants totaling \$60,716 that were also recommended in the Community Grants NDA.
 - Approve \$2,659,587 for 103 Council Community Grants. For FY18, the Executive's Recommended Budget includes \$3.11 million in the Community Grants: County Council NDA, so there is no need to include these staff recommended grants on the Reconciliation List.
 - Approve budget provision language included on page 9 of this memorandum that requires twice yearly outcome reporting to the Office of Management and Budget.
 - For the Council grants, 13 small teams of the Grants Advisory Group, comprised of two to four members, reviewed 249 of the 398 grant applications submitted. Each team met five

times, conducted question and answer sessions with each applicant and reviewed approximately 18-22 applications grouped by program category.

Supplemental appropriation to the County Government's FY17 Operating Budget and amendment to Resolution 18-506, Section G, FY17 Designation of Entities for Non-Competitive Award Status, \$100,000 for WorkSource Montgomery Non-Departmental Account (NDA) (Source: General Fund Undesignated Reserves)

The Council is scheduled to hold a public hearing and vote on a supplemental appropriation for WorkSource Montgomery. The staff report can be viewed at:

http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5024&meta_id=138800.

The Executive is recommending a \$100,000 supplemental appropriation for WorkSource Montgomery's Non-Departmental Account (NDA) for a summer youth Science, Technology, Engineering, and Mathematics (STEM) career exploration pilot program for FY17. This supplemental appropriation would provide seed money to jump start this new program with contributions from the Montgomery County Public Schools (MCPS) and employers who sign up as sponsors. MCPS is also prepared to commit \$100,000 toward implementing this pilot project. This supplemental will reduce County General Government Fund Reserves by \$100,000 and is consistent with the fund balance policy for tax supported reserves.

Supplemental appropriation to the County Government's FY17 Operating Budget, Department of Transportation - \$584,726 and Department of General Services - \$1,844,216 for Snow Removal/Wind and Rain Storm Cleanup (General Fund Undesignated Reserves)
The Council is scheduled to hold a public hearing and vote on a supplemental appropriation for the Department of General Services (DGS) for FY17 snow removal and storm cleanup. The staff

http://montgomerycountymd.granicus.com/MetaViewer.php?view id=169&event id=5024&meta id=138802.

DGS has no budgeted appropriation for storm cleanup. This increase is needed because expenditures for snow removal and storm cleanup exceeded the FY17 appropriation of \$9,227,197 (\$3,342,207 in the Department of Transportation and \$5,884,990 in the Storm Removal Non-Departmental Account).

- During the winter of 2016-2017, the County experienced seven snow/ice events with a total accumulation of approximately 6.4 inches. While some events didn't result in plowing, both County and contractual personnel were required to report and/or be on standby and equipment was ready and made available based on weather forecasts.
- This supplemental appropriation also includes \$1 million to cover anticipated wind and rain storm cleanup costs through the end of the fiscal year.
- Resolution to approve a Mutual Aid Agreement with the City of Gaithersburg
 The Council is scheduled to vote on a resolution that would provide a police mutual aid agreement with the City of Gaithersburg. The staff report can be viewed at:

 http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=5024&meta_id=138804.

 Council President Berliner is the lead sponsor, at the request of the Executive. The proposed mutual aid agreement would replace the current Memorandum of Understanding (MOU) between the jurisdictions regarding the sharing of resources and proper exercise of city and county police authority and operations. The proposed agreement would allow City Police to enforce Maryland vehicle laws while participating in County temporary assignments, County Police task forces, County Police enforcement details, or upon witnessing (or developing probable cause to enforce) a "serious traffic offense that threatens public safety" within the jurisdictions of

the County.

report can be viewed at:

WEDNESDAY, MAY 17

Overview of FY18 Revenues and Expenditures

As the Council concludes its worksessions on the FY18 operating budget, Council staff will prepare a status report that reflects the work of the Council to date. The staff report will be available on May 16 at:

http://www.montgomerycountymd.gov/COUNCIL/ondemand/index.html.

Property Tax Options: Amount, Rate, and Income Tax Offset Credit
The Council is scheduled to review property tax options for the FY18 operating budget. The staff report will be available on May 15 at:
http://www.montgomerycountymd.gov/COUNCIL/ondemand/index.html.

- The County Code authorizes the Council to set, by resolution, the rate or amount of a property tax credit to offset a portion of the income tax revenue resulting from a County income tax rate that is higher than 2.6% (the County income tax is currently set at 3.2%).
- The Council must set the amount or rate of the credit annually by resolution, adopted no later than the date the Council sets the property tax rates.
- The amount or rate of the credit must, in the Council's judgment, offset some or all of the
 income tax revenue resulting from a County income tax rate higher than 2.6%. The Council
 must set the amount of the credit at zero for any tax year in which the rate of the County
 income tax does not exceed 2.6%.
- The Executive recommends that the Council set the amount of the FY18 property tax credit at \$692 for each eligible taxpayer (equal to the FY17 credit).
- Resolution to Approve FY18 Transportation Fees, Charges, and Fares
 The Council is scheduled to review a resolution to establish transportation fees, charges, and fares
 for the FY18 operating budget. The staff report will be available on May 15 at:
 http://www.montgomerycountymd.gov/COUNCIL/ondemand/index.html.
 - The County Code requires that all fees, charges, and fares for any transportation or transportation-related service or product provided by the Department of Transportation must be set by Council resolution adopted after a public hearing and approved by the Executive, unless any law expressly requires a different process.
 - If the Executive disapproves a resolution within 10 days after it is adopted and the Council readopts it by a vote of six Councilmembers, or if the Executive does not act within 10 days after the Council adopts it, the resolution takes effect.
 - The fees, charges, and fares currently in effect are those in Council Resolution 18-547 adopted on June 14, 2016 and approved by the Executive on July 7, 2016.
 - The Executive recommends that Ride On fares be raised to be consistent with the Metrobus fare schedule recently adopted by the Washington Metropolitan Area Transit Authority. He recommends that the parking fee schedule for the Montgomery Hills Parking Lot District be deleted, consistent with legislation he is proposing to merge it with the Silver Spring Parking Lot District. The dates for the Traffic Management District charges have been updated to include the current period this resolution will be in effect.
- Resolution to Establish FY18 Solid Waste Service Charges

The Council is scheduled to review solid waste service charges for the FY18 operating budget. The staff report contains a summary of all the rates proposed by the Executive and will be available on May 15 at:

http://www.montgomerycountymd.gov/COUNCIL/ondemand/index.html.

• The County Code authorizes the Council to, by resolution, set the base solid waste charges, the residential systems benefit charge, and the nonresidential systems benefit charge and all other solid waste service, collection, and disposal charges and fees.

- Each fiscal year the Council must set, by resolution, the rates for the residential and nonresidential systems benefit charges.
- The County has established a Leaf Recycling Service Area in which special fees are charged for leaf recycling services.
- Resolution to Establish FY18 Water Quality Protection Charge
 The Council is scheduled to review the water quality protection charge for the FY18 operating budget. The staff report will be available on May 15 at:

 http://www.montgomerycountymd.gov/COUNCIL/ondemand/index.html.

The Council created the Water Quality Protection Charge in 2001 and made substantive changes to the charge in 2013. The County Code requires the Council to set the ERU rate each fiscal year by resolution, which must be adopted no later than the date the Council approves the annual operating budget.

 The Executive transmitted a proposed resolution related to the Water Quality Protection Charge equivalent residential unit (ERU) rate for FY18. The Executive recommends an ERU rate of \$104.25, which is an increase of \$9.25 (or 9.7 percent) from the FY17 ERU rate of \$95.00.

THUR\$DAY, MAY 18

WORKSESSION - FY18 OPERATING AND FY17-22 CIP AMENDMENTS The Council is scheduled to take straw votes on the following:

- © Capital Budget Wrap-Up and CIP Reconciliation
 The staff report will be available on May 16 at:
 http://www.montgomerycountymd.gov/COUNCIL/ondemand/index.html.
- © Council Reconciliation Items for Capital and Operating Budgets
 The staff report will be available on May 16 at:
 http://www.montgomerycountymd.gov/COUNCIL/ondemand/index.html